IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY APPLICATION No. 663 of 2006

For Approval and Signature:

HONOURABLE MR.JUSTICE M.R. SHAH

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1 Whether Reporters of Local Papers may be allowed to see the judgment ?

2 To be referred to the Reporter or not ?

3 Whether their Lordships wish to see the fair copy of the judgment ?

4 Whether this case involves a substantial question of law as to the interpretation of the constitution of India, 1950 or any order made thereunder ?

5 Whether it is to be circulated to the civil judge ?

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BALARA, CEMEMTS LTD. - Applicant(s)
Versus
.. - Respondent(s)

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Appearance :
MR SUDHIR M MEHTA for Applicant(s) : 1,
None for Respondent(s) : 1,

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CORAM : HONOURABLE MR.JUSTICE M.R. SHAH
Date : 26/12/2006

ORAL JUDGMENT

Present Company Application has been filed for an appropriate order of convening separate meetings of the secured creditors, and shareholders of the applicant company for the

purpose of considering and, if thought fit, approve with or without modification the proposed Scheme of Arrangement and/or Compromise.

2. Upon the application of the abovenamed applicant by the summons dated 26.12.2006, upon hearing Mr. Percy Kavina and Mr. Sudhir M. Mehta, learned advocate appearing for the applicant, and upon reading the affidavit of Shri S.K. Gadhvi filed on 20.12.2006 and exhibits therein referred to [Exh-C being a copy of the proposed compromise or arrangement], it is ordered as follows;

[i] That a meeting of the shareholders of the company shall be convened and held at the Registered Office of the Company on 29th January 2007 at 11.30 a.m. At Rajpath Club, S.G. Road, Ahmedabad in the State of Gujarat for the purpose of considering and, if thought fit,

approving, with or without modification(s), the compromise or arrangement proposed by the applicant company with its shareholders.

[ii] That a meeting of the secured creditors of the company shall be convened and held at the Registered Office of the Company on 29th January, 2007 at 12.30 a.m., at Rajpath Club, S.G. Road, Ahmedabad in the State of Gujarat or immediately after the conclusion of the proceeding meeting, whichever is later, for the purpose of considering and, if thought it fit, approving, with or without modification(s), the compromise or arrangement proposed by the applicant company with its

secured creditors.

[iii] That at least 21 clear days before the day appointed for the meetings, an advertisement convening the same and stating that the copies of the said compromise or arrangement and of the statement required to be furnished pursuant to of the Section 393 of the Companies Act, 1956 and the prescribed Form of Proxy can be obtained free of charge at the Registered Office of the appolicant or at the office of the advocate of the company be inserted once in “Indian Express”, English daily in Ahmedabad Edition and “Rakhewal”, Gujarati daily in Deesa/Palanpur edition and the notice to be inserted in the

Gujarat Government Gazette is dispensed with.

[iv] That in addition, at least 21 days before the day appointed for the meeting to be held as aforesaid, a notice convening the said meeting at the place and time aforesaid, together with a copy of the compromise or arrangement, a copy of the statement required to be furnished pursuant to Section 393 and the prescribed forms of proxy shall be sent by pre-paid letter post under certificate of posting addressed to each secured creditors, shareholders at his respective registered or last known address.

[v] That Mr. S.K. Gadhvi, sponsor of

the proposed scheme of compromise/arrangement and failing him Mr. V.K. Reddy, Director of the company shall be Chairman of the meeting to be held as aforesaid.

[vi] The Chairman appointed for the meetings do issue the advertisement and send out notices of the said meetings referred to above.

[vii] That the quorum for the said meeting shall be of two persons at present in person or through proxies.

[viii] That voting by proxy be permitted provided and that a proxy in the prescribed form duly signed by the

person entitled to attend and vote at the meeting, is filed with the applicant company at the office not later than 48 hours before the meetings.

[ix] That the value of each creditor shall be in accordance with the manner specified in the proposed scheme. In case of dispute, the Chairman shall determine the value for propose of the meetings.

2. It is further ordered that the Chairman do report to this Court, the result of the said meetings within 14 days of the conclusion of the meetings and the said report shall be verified by his affidavit.

3. This application is accordingly disposed

of.

[M.R. Shah, J.]

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